

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7001

BILL NUMBER: HB 1541

NOTE PREPARED: Jan 15, 2007

BILL AMENDED:

SUBJECT: Passport Admission of Veterans to State Recreational Areas.

FIRST AUTHOR: Rep. Goodin

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill provides that an Indiana resident who: (1) served in the armed forces of the United States, the reserves, or the National Guard; and (2) was honorably discharged; is eligible to receive a free Hoosier Golden Passport for admission to state recreational areas and museums. The bill makes a technical correction.

Effective Date: July 1, 2007.

Explanation of State Expenditures: The Department of Natural Resources (DNR) would experience an increase in administrative expenses associated with issuing Golden Hoosier Passports to persons eligible for a full fee exemption under the bill. Actual increases are projected to be approximately \$12,390.

Explanation of State Revenues: Under the bill, a resident who served as a member of the armed forces of the United States or their reserves, or the Indiana National Guard (ING) and received an honorable discharge from services is eligible to receive the Golden Hoosier Passport at no charge. The current fee for an annual pass is \$18. Potential revenue loss from this provision is estimated to be \$26,172 annually.

Background: The DNR reports the following revenue and sales history for Golden Hoosier Passports.

Number of Golden Hoosier Passports Sold and Revenue by Year:		
Year	Passes Sold	Revenue
2004	15,945	\$191,334
2005	17,321	\$225,177
2006	13,770	\$247,860
Total	47,036	\$664,371
Average	15,679	\$221,457

The United States Department of Veterans' Affairs estimates that there are approximately 534,000 veterans in the state of Indiana. This figure includes persons who served in the active and reserve components of the armed forces of the United States and the ING. The Defense Manpower Data Center reports that there were approximately 36,250 active duty military or reserve and ING members in Indiana as of July 2006. Thus, there are approximately 570,250 active duty and retired military persons in the state of Indiana.

Under current law, persons who are eligible for: (1) Social Security Disability Insurance (SSDI) payments, (2) a disabled veteran license plate; are eligible for a 50% fee exemption. Persons eligible for a prisoner of war license plate are eligible for a 100% fee exemption. The number of persons currently eligible under these exemptions are estimated to be approximately 160,000. Of the 160,000, approximately 54,000 would be classified as having served in the armed forces of the United States or the ING.

As proposed, approximately 516,250 (i.e., 570,250-54,000) persons would be eligible for a full Golden Hoosier Passport fee exemption. Currently, a person who does not qualify for a partial or full fee exemption must be at least 65 years of age to be eligible to purchase the pass. Given the number of passports sold and the number of persons in Indiana who are at least 65 years of age or older, approximately 1.6% of eligible persons purchase the passport annually. Assuming, this number is comparable within the population that would be fee-exempt under the bill, approximately 1,454 persons at least 65 years old would purchase the passport resulting in a potential revenue loss of \$26,172 for the DNR.

An additional 6,806 persons under the age of 65 would purchase the passport as well. These persons are not currently eligible to purchase a passport unless they are eligible for SSDI, or are eligible to purchase a disabled veteran or prisoner of war license plate, and could potentially reduce the population of 6,806. Expenditures for the DNR relative to the 6,806 fee-exempt persons would be for administrative costs for producing and mailing the Golden Hoosier Passport. The DNR reports this cost to be approximately \$1.50 per person. If all 8,260 persons (1,454 + 6,806) purchase the passport under the bill, the DNR would experience an increase in administrative expenditures of approximately \$12,390 annually.

There would be some additional potential revenue loss under the bill due to persons currently eligible for a partial fee exemption becoming eligible for a full fee exemption. The number of persons who received a partial fee exemption is not known.

Revenue collected from the sale of Golden Hoosier Passports is deposited into the State Parks and Reservoirs Operating Account, which funds the operations of the Department of Natural Resources.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Natural Resources.

Local Agencies Affected:

Information Sources: Burgess Brown, Department of Natural Resources; U.S. Department of Veterans' Affairs; Kris Fisher, Indiana National Guard; *Annual Statistical Report on the Social Security Disability Insurance Program*, 2005, U.S. Social Security Administration; Tom Applegate, Indiana Department of Veterans' Affairs.

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